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13	UNITED	STATES DISTRICT COURT	
14	NORTHER	RN DISTRICT OF CALIFORNIA	
15	SAN JOSE DIVISION		
16			
17	Quanergy Systems, Inc.,	Case No. 5:16-cv-05251-EJD	
18	Plaintiff,	AMENDED COMPLAINT FOR DECLARATORY JUDGMENT	
19	V.		
20	Velodyne LiDAR, Inc.,	DEMAND FOR JURY TRIAL	
21	Defendant.		
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PALO ALTO

AMENDED COMPLAINT FOR DECLARATORY JUDGMENT CASE NO. 5:16-CV-05251-EJD Plaintiff, Quanergy Systems, Inc. ("Quanergy"), by counsel, files the following Complaint for declaratory relief and, in support thereof, alleges as follows:

THE PARTIES

- 1. Plaintiff Quanergy is a corporation organized under the laws of the State of Delaware, and having a principal place of business at 482 Mercury Drive, Sunnyvale, California 94085.
- 2. On information and belief, Defendant Velodyne LiDAR, Inc. ("Velodyne") is a corporation organized under the laws of the State of Delaware and maintaining its principal place of business at 345 Digital Drive, Morgan Hill, California 95037.

JURISDICTION AND VENUE

- 3. This is an action for declaratory relief under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202. Accordingly, subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338 because these claims arise under the patent laws of the United States (Title 35 of the United States Code).
- 4. Upon information and belief, Defendant Velodyne is subject to this Court's personal jurisdiction because it does and has done substantial business in this judicial district, including maintaining its headquarters in this judicial district. Defendant Velodyne is subject to the general jurisdiction of this Court because it has regular and systematic contacts with this forum such that the exercise of jurisdiction over it would not offend traditional notions of fair play and substantial justice.
- 5. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)-(c) because Velodyne is subject to personal jurisdiction in this District.

GENERAL ALLEGATIONS

6. Plaintiff Quanergy is the leader in automotive and industrial grade 3D time-of-flight LiDAR sensors. Quanergy develops smart sensing solutions for real-time 3D mapping and object detection, tracking, and classification. Quanergy's products can be used in various markets for 3D LiDAR sensors and LiDAR-based sensing systems. Key markets include passenger vehicles, corporate, commercial, municipal fleets, and digital mapping fleets. Other applicable markets for Quanergy's products include security, surveillance, smart spaces, logistics, warehouse and

COOLEY LLP ATTORNEYS AT LAW PALO ALTO distribution center automation, robotics, construction, agriculture and mining vehicles, surveying, archaeology, geology, aeronautics, unmanned aerial vehicles (UAVs), wind turbine operation optimization and solar farm installation optimization. In the automotive space, Quanergy's LiDAR sensors enable broad deployment of advanced driver assistance systems (ADAS) and autonomous driving systems. Quanergy's M8-1 LiDAR Sensor (the "M8-1 Sensor") is made for use with such systems.

- 7. Defendant Velodyne is one of Quanergy's competitors. Among its products, Velodyne sells the HDL-64E LiDAR sensor which it touts on its website to be "designed for obstacle detection and navigation of autonomous ground vehicles and marine vessels." It further asserts that "[i]ts durability, 360° field of view and very high data rate makes this sensor ideal for the most demanding perception applications as well as 3D mobile data collection and mapping applications," and that "[t]he HDL-64E's innovative laser array enables navigation and mapping systems to observe more of their environment than any other LiDAR sensor."
- **8.** On August 4, 2016, Quanergy's CEO, Dr. Louay Eldada, received a letter dated August 3, 2016 from Velodyne's counsel, Mr. Douglas Lumish of Latham & Watkins, alleging that Quanergy infringed U.S. Patent No. 7,969,558 ("the '558 patent") entitled "High Definition LIDAR System" granted on June 28, 2011. Upon information and belief, Velodyne is the alleged owner of and/or has enforcement rights to the '558 patent. A true and accurate copy of the '558 patent is attached as Exhibit A.
- 9. Velodyne states in the August 3, 2016 letter that "[i]t has recently come to Velodyne's attention that Quanergy ... manufactures and sells 3D LiDAR sensors, including the M8-1 LiDAR Sensor" and that Velodyne had "review[ed] Quanergy's M8-1 LiDAR Sensor." The August 3, 2016 letter alleges that Quanergy's M8-1 LiDAR Sensor infringes one or more of the claims of the '558 patent" and demands that Quanergy "immediately cease and desist from all further activity that infringes the '558 Patent." Velodyne explicitly asserted that absent compliance with its demands, "Velodyne is prepared to take all steps necessary to protect its intellectual property rights."

- 10. On August 31, 2016, Quanergy's counsel, Erik Milch, spoke with Velodyne's counsel, Ann Marie Walsh, to discuss the August 3, 2016 cease and desist letter. During that conversation, Ms. Walsh stated that the only acceptable outcome for Velodyne is for Quanergy to remove its product from the market. In a follow-up discussion on September 9, 2016, Mr. Milch informed Ms. Walsh that Quanergy would not agree to remove the M8-1 from the market. Ms. Walsh responded by stating that it seems that the parties are at an impasse.
- 11. As a result of Velodyne's aggressive threats of patent infringement by Quanergy, and repeated demands that Quanergy remove its M8-1 product from the market, an immediate, concrete, actual, substantial and justiciable controversy now exists between Quanergy and Velodyne regarding allegations of infringement of the '558 patent. This is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment. Quanergy seeks a declaration from this Court resolving the present controversy.

COUNT I

DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF THE '558 PATENT

- 12. Quanergy incorporates by reference the allegations set forth in paragraphs 1 through 47 of this Complaint as though set forth in full herein.
- 13. Velodyne has accused Quanergy of infringing the '558 patent at least by making and selling the M8-1 LiDAR Sensor.
- **14.** Quanergy has not infringed and is not infringing, directly, indirectly, contributorily, by active inducement, or otherwise, any valid and enforceable claim of the '558 patent.
- 15. Quanergy does not infringe independent claim 1 of the '558 patent at least because the M8-1 does not include "a rotary component configured to rotate the plurality of laser emitters and the plurality of avalanche photodiode detectors at a speed of at least 200 RPM" as required by both independent claims 1 and 19.
- 16. The term "a rotary component configured to rotate the plurality of laser emitters and the plurality of avalanche photodiode detectors" invokes 35 U.S.C. 112, sixth paragraph. The specification requires that the rotary component include a "rotary power coupling configured to

provide power from an external source to the rotary motor, the photon transmitters, and the photon detectors, as well as signal [sic] in and out of the unit." '558 patent, col. 3, ll. 10-14.

- 17. The M8-1 Sensor does not include such structure, or any equivalents of such structure. Accordingly, for at least this reason, the M8-1 Sensor does not meet every limitation of claims 1 and 19 of the '558 patent.
- **18.** At least because Quanergy does not infringe either independent claim of the '558 patent, it does not infringe any dependent claim of the '558 patent.
- 19. An actual and justiciable case or controversy exists between Quanergy and Velodyne concerning alleged infringement of the '558 patent, which requires a declaration of rights by this Court.
- **20.** Based on the acts, conduct, and statements of Velodyne, Quanergy has formed a reasonable apprehension and belief that Velodyne intends to and will sue Quanergy for alleged infringement of the '558 patent.
- **21.** Velodyne's incorrect allegation that Quanergy infringes claims of the '558 patent has caused, and will continue to cause, damage to Quanergy.
- **22.** Quanergy is entitled to a judicial determination and declaration that it does not infringe and has not infringed, directly, indirectly, contributorily, by active inducement or otherwise, any valid and enforceable claim of the '558 patent.

PRAYER FOR RELIEF

WHEREFORE, Quanergy requests that the Court enter a judgment in its favor and against Velodyne as follows:

- A. Enter judgment for Quanergy and against Velodyne on Count I asserted in this complaint;
- B. Declare that Quanergy has not and does not infringe any valid and enforceable claim of '558 patent;
- C. Enjoin Velodyne, and its officers, directors, agents, counsel, servants, and employees and all persons in active concert or participation with any of them, from attempting to enforce the '558 patent against Quanergy or any customer of Quanergy by reason of

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1	such customer's use of Quanergy's products;	
2	D. Find this case to be an exceptional case pursuant to 35 U.S.C. § 285 and award	
3	Quanergy its attorneys' fees and expenses;	
4	E. Grant Quanergy such other and further relief as the Court deems just and proper.	
5	DEMAND FOR JURY TRIAL	
6	Pursuant to Federal Rule of Civil Procedure 38, Plaintiff Quanergy Systems, Inc. demands a	
7	trial by jury in this action.	
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9	Dated: November 18, 2016 COOLEY LLP MARK F. LAMBERT (197410)	
10	WHAT LANDERT (197 110)	
11	/s/Mark F. Lambert	
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